

# Ontario Budget 2015

**Submission to the Ministry of Finance**

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## Executive Summary

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Ontario's rental housing industry is best known for providing homes to Ontarians in roughly 1.23 million units across the province. It is much less widely known that Ontario's rental industry is a significant economic engine. The Federation of Rental Providers on Ontario (FRPO) retained KPMG to estimate the total economic impact of Ontario's rental housing industry on the Ontario and Canadian economy. The results were eye-opening. Every year Ontario's rental industry:

- contributes \$18.3 billion to Ontario's GDP and almost \$2 billion to the GDP of other Provinces;
- generates labour income of \$8.3 billion in Ontario and just under \$1 billion outside of Ontario;
- contributes \$7 billion to government revenues; and
- delivers a total gross output of \$35 billion in Ontario and \$3.6 in other provinces.

**The KPMG report also indicated that Ontario's rental industry invests \$4.5 billion per year in housing infrastructure:**

- \$1.7 billion invested in creating new housing units; and
- \$2.7 billion invested in capitalized renovations of existing suites – an average of \$2,250 per suite.

Fundamental change in housing preferences and inadequate supply continue to threaten the rental housing industry in Ontario. Single-person households are growing. Home ownership costs are increasing. Both these trends are increasing demand, while vacancy rates are declining. Ontario's aging rental stock is not adequate to meet this increased demand. While private-sector construction of apartment buildings is at its highest level since 1993, additional construction will be needed to meet the needs of Ontario residents in the future.

Public policy governing the industry remains a barrier to getting the growth we need to meet demand, and poses an ongoing risk to the industry. To ensure that Ontario's rental housing industry remains competitive, the Federation of Rental Housing Providers asks the government of Ontario to consider action to address each of the following:

1. Low-income households are increasingly unable to afford rental housing; however, the Province has not yet produced any housing-related income program to assist the working poor.
2. The Province must address the spread of inconsistent municipal rental housing licensing schemes, which are expensive to run and place undue financial hardships on renters and tenants.
3. Ontario's broken rental dispute process is plagued by delay. This serves neither landlords nor tenants, and is a major impediment to increasing rental housing investment and supply.
4. Ontario's 1970's-era rent control mechanisms remain a barrier to investment in new and older buildings.
5. Ontario stands alone among Canadian provinces in allowing municipalities to regressively impose higher property tax rates on lower income tenants.

Action on these five issues will help ensure the continued viability and economic contribution of the rental housing industry in Ontario.

**Fact: Ontario's rental housing industry has a significant impact on the provincial economy.**



**\$4.5 Billion in Capital Expenditures**

**\$7 Billion contributed to Government coffers**



**150,000 industry jobs**

**\$18.2 Billion total GDP contribution**

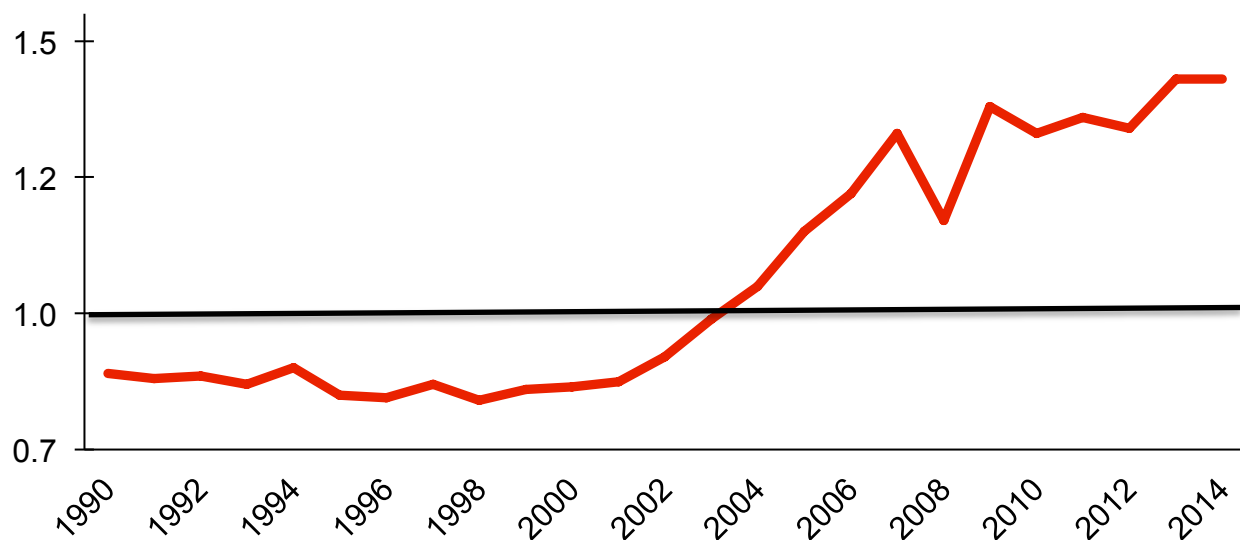
## Fact: Rental housing provides an affordable alternative to home ownership

Rental housing provides an affordable housing option, especially relative to the expensive (and increasing) cost of ownership in the province. Almost one-third of all Ontario households rent their home. In at least the medium term, demographic trends and increasing housing prices will further boost demand for rental housing in this province.

It is important to note that although there has been an increase in housing demand, as well as an increase in average income and house prices (26% and 35% respectively); average rents in Ontario have actually only increased by 10%, continuing to be an affordable, viable option for Ontarians.

### Compared to buying a home, renting has never been more affordable

Graph 1: Ratio of House Prices to Rent



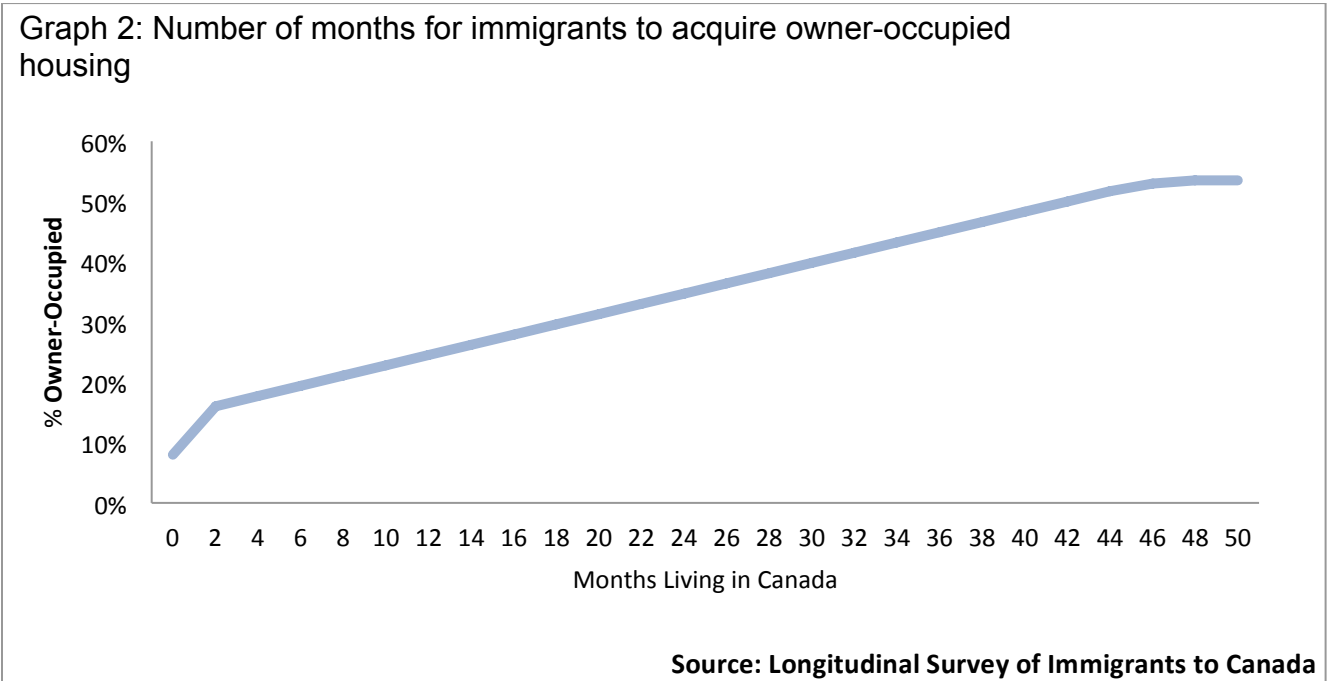
Sources: CMHC (March 2014 Housing Now), MLS Average House Price and Average CMHC Market Rent Ratio. 1.0 = Long Term Average Ratio

# Fact: The vast majority of new Canadians rely on rental housing during their first two years in the country

Many new Canadians encounter considerable difficulties when faced with the Canadian housing market. Often, a lack of job or credit history in the country translates into lower earnings, which impacts their ability to afford a home.

Rental housing in the province provides new Canadians with an affordable option for housing, specifically in the short term as they find their footing in Canada.

According to the CMHC, most new Canadians take advantage of renting as an option when they arrive in Canada – 75% of new immigrants live in rental housing during their first two years in the country. The last *Longitudinal Survey of Immigrants* (2007) showed similar trends, and given that housing prices have increased substantially since that time, it is fair to assume that renting is an increasingly viable housing alternative for new Canadians.

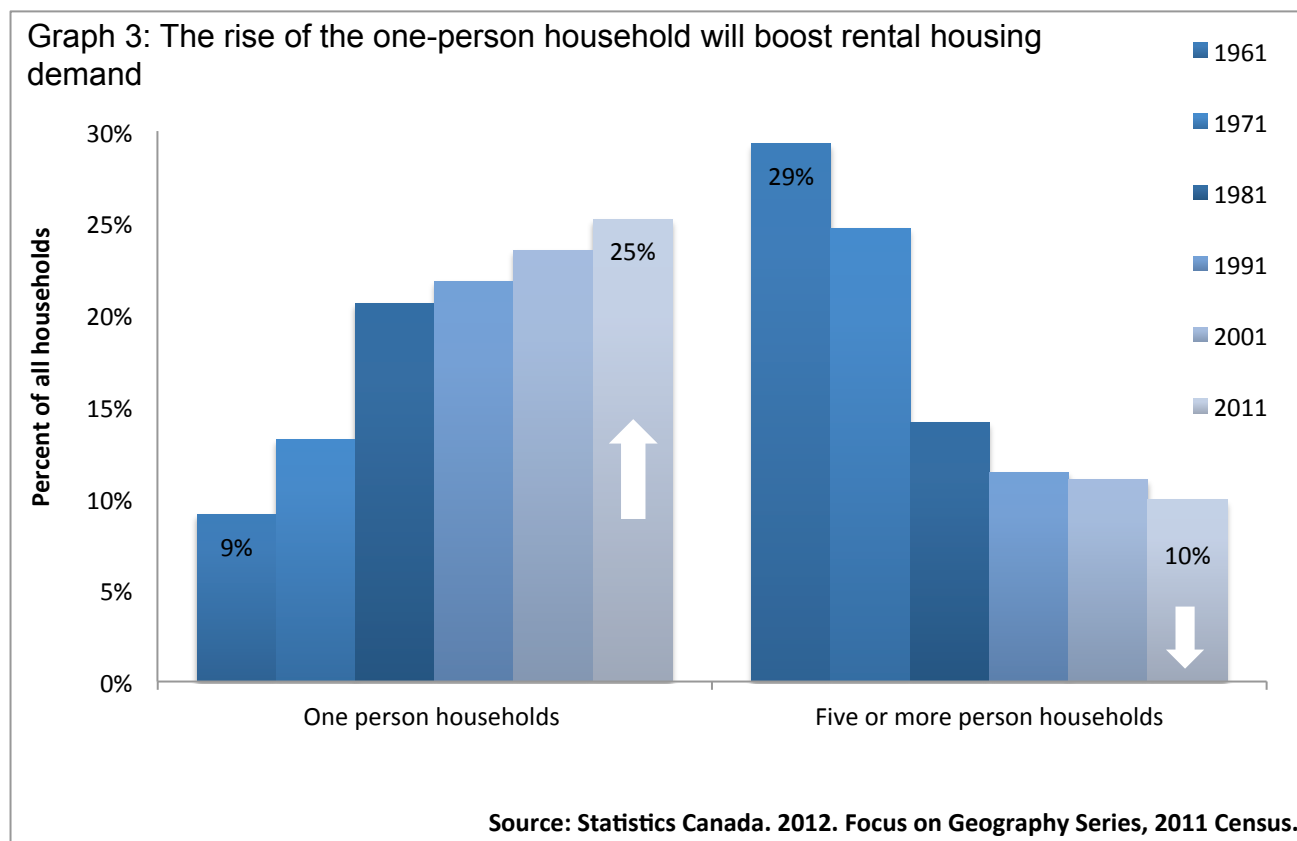


## Fact: The rental market aligns with demographic trends towards smaller households

Demographic trends towards smaller households will continue to impact the demand for rental housing. Fewer families are having children, and fewer Ontarians are creating traditional household families. In fact, over 42% of all renters in Ontario are now one-person households, and 25% of all Ontario households consist of just one-person.

In housing terms, a shrinking household size translates into greater demand for multi-unit housing – even if the total population size remains stable.

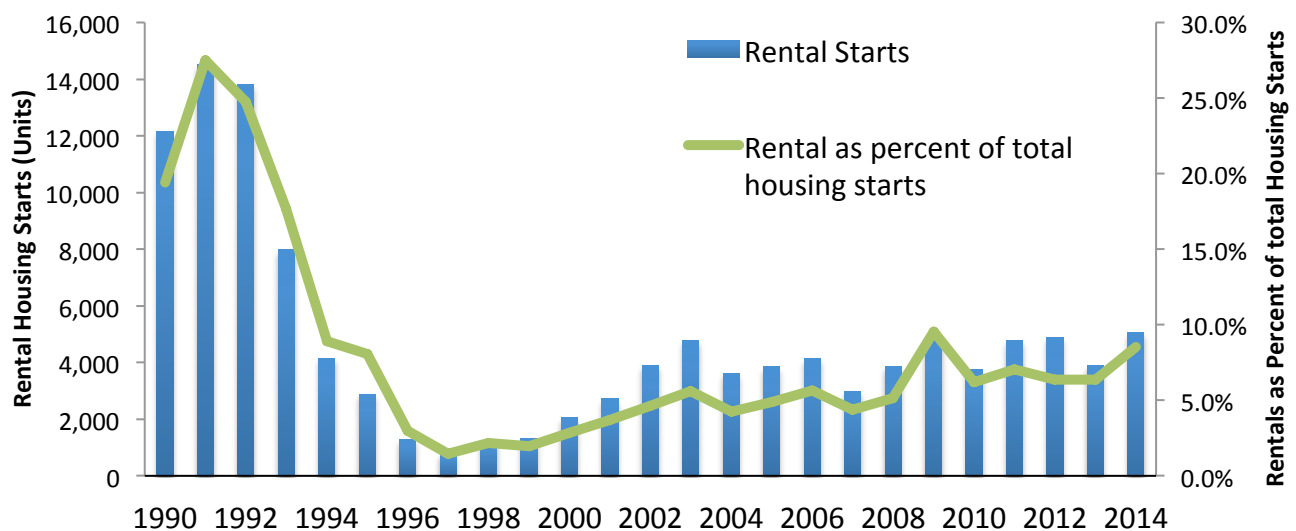
The proportion of five or more person households has also declined in Ontario, from 29% to 10% over the past 50 years. This represents a 177% growth in the number of one-person households, and a 66% decline in the proportion of large households (five or more person) over the past fifty years. Using the past fifty years as an indicator, we can extrapolate that if current trends continue, one-person households will represent roughly 30% of total households by 2021, whereas five or more person households will decrease to 8% of all households by the same year.



## Fact: Construction of private sector rental housing is at its highest level since 1993 – yet demand continues to grow

A strengthening economy combined with high home purchase prices pushed the purpose-built rental apartment vacancy rate downward in 2014. There were over 5,000 purpose-built rental starts in 2014 in Ontario, a twenty-eight percent increase over 2013. While modest compared to overall additions to the housing stock, there remains a stable supply of new purpose-built rental housing, with 2014 seeing the highest level of rental starts since 1993. While this moderate increase in new rental supply is encouraging, it may be insufficient to meet increased demand for rental housing going forward.

Graph 4: Rental Housing Construction 1990-2014 (Ontario)



Source: CMHC Housing Observer 2014 Data Tables; CMHC (1st Quarter 2015) Housing Now

# The Rental Housing Economy in Ontario

## Size of the Market

Although its importance as an economic engine is often overlooked, the rental housing industry is one of the largest economic activities in Ontario.

There are 1.23 million rental properties in Ontario, representing about 29% of all households. KPMG's study on the economic impact of the rental housing market in Ontario estimates that these rental properties generated total revenues of approximately \$14.8 billion in 2012. The industry collected \$525 million in non-rent revenues earned from additional services such as parking and housekeeping.

Table 1: Housing Stock in Ontario - Estimated Rental Housing Stock in Ontario			
	Total Dwellings	% Rented	Rented Dwellings
Rental Housing Stock in 2006	4,555,025	29%	1,312,290
<b>New Construction Starts since 2006:</b>			
Single detached houses	210,501	0.3%	632
Semi detached houses	24,644	0.3%	74
Row Houses	70,754	7%	4,776
Apartment and other buildings	166,083	30%	50,539
Total – New Construction	471,982	12%	56,020
Total – Excluding Social Housing	-	-	1,231,479

## Relative GDP Impact of the Industry

**Ontario's rental housing industry generates a larger GDP than Ontario's Aerospace and Defence Industry combined.**

It is helpful to provide some comparators to fully appreciate the economic impact of the rental housing industry in Ontario. As Table 2 demonstrates, when compared to the combined output of Ontario's Aerospace and Defence Industries, Ontario's rental housing industry contributes a significantly larger GDP, Labour Income, Employment level, Government Revenue, and Total Gross Output Impact.

In overall economic contribution, the rental housing industry is actually comparable to the Ontario Food and Beverage Industry - a huge industry that encompasses farming, food processing, food transportation and distribution, restaurants and grocery stores.

Table 2: Other Industries' Economic Impact in Ontario				
	Aerospace Industry	Defence Industry	Ontario Food & Beverage Industry	Ontario Rental Housing Industry
GDP Impact	6,700	6,987	26,217	18,300
Labour Income	n/a	4,296	n/a	8,297
Employment (FTEs)	67,700	70,462	361,026	146,534
Government Revenues	320	n/a	5,198	6,453
Total Gross Output	11,180	13,884	66,823	34,927

## Economic Impact of the Market

**The rental housing industry is a key economic driver of Ontario's economy and is a significant contributor to Ontario's GDP.**

It is estimated by KPMG that in 2012, Ontario's rental housing industry generated a GDP impact of \$18.3 billion in Ontario and \$1.9 billion elsewhere in Canada. In 2012, the province's rental housing industry accounted for approximately 3% of Ontario's total GDP. The following chart provides the GDP impact of Ontario's Rental Housing Industry by sector.

Table 3: GDP Impact of Ontario's Rental Housing Industry by Sector (\$ millions)				
Industry Sector	Ontario	Other	Total	%
Lessors of real estate	7,576	41	7,616.11	38%
Residential building construction	2,487	0	2,486.63	12%
Electric power generation, transmission and distribution	724	76	799.93	4%
Repair construction	628	20	647.12	3%
Other municipal government services	570	11	580.85	3%
Owner-occupied dwellings	539	75	613.90	3%
Banking and other depository credit intermediation	484	62	546.69	3%
Services to buildings and dwellings	315	16	331.78	2%
Offices of real estate agents and brokers and activities related to real estate	236	6	241.48	1%
Natural gas distribution	214	4	217.99	1%
Telecommunications	193	53	246.11	1%
Insurance carriers	193	24	216.35	1%
Other	4,145	1,536	5,680.61	28%
Total	18,303	1,922	20,226	100%

## Jobs and Tax Revenue

**The rental housing industry provides well-paying jobs for individuals throughout Ontario.**

The rental housing industry is responsible for 54,208 direct jobs. In 2012, these jobs generated approximately \$3 billion in labour income. This represents an average salary of approximately \$56,818 in direct jobs.

The industry also generated \$6.5 billion in government revenues in Ontario and \$0.55 billion in government revenues outside of the province.

# Capital Expenditures and New Rental Housing

The industry is investing billions to meet Ontario’s growing need for rental housing.

One of the most telling numbers that was referenced by KPMG was the rental housing market’s spend on capital expenditures and renovations on rental housing infrastructure. When one references capital intensive industries, the oil and gas sector, telecommunications, utilities and general construction sector are often recognized for their economic impact while the rental housing industry is overlooked.

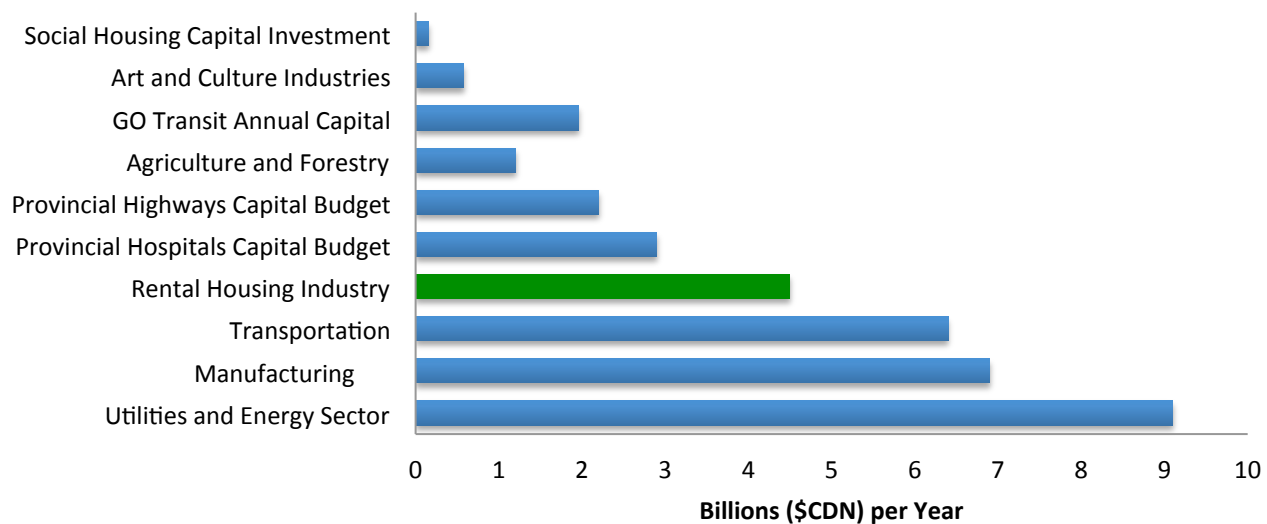
A quick review of the facts of the industry dispels that myth. In 2012, new rental housing capital expenditures alone were \$1.771 billion and there was an additional spend of \$2.762 billion on capital renovations. Altogether, the industry was responsible for a total of \$4.533 billion in total capital housing expenditures.

*Ontario’s rental housing industry invests \$4.5 billion/year on total capital expenditures, which includes \$2.8 billion and \$1.7 billion on new rental housing construction. This investment was at least \$1.5 billion more than infrastructure expenditures on:*

- ✓ Highways
- ✓ Hospitals
- ✓ Schools
- ✓ Colleges and Universities

The Federation of Rental Housing Providers of Ontario found that the average annual per suite expenditure on capitalized renovations was \$2,250. These numbers provide a glimpse into the real amount of dollars that is capitally invested by the rental housing market in Ontario and the direct impact that the housing market has on Ontario’s economy. Rental providers across Ontario share a common vision for enhancing rental housing infrastructure in the province. Billions of dollars are being invested by the industry now, to meet Ontario’s current and growing needs for rental housing options.

Graph 5: 2012 Capital Expenditures in Ontario by Sector



# FRPO's Recommendations for Ontario's Rental Housing Industry

There is an important success-story to be told about the rental housing industry in Ontario and its strong record heading into a period of increasing demand for rental units; however, the continuing success of the rental housing market faces significant risks due to potential new industry regulations. These regulatory decisions could weaken the industry significantly, undermining the important economic and social impact of rental housing in Ontario.

The following presents several of the main issues which face the rental housing industry in Ontario, and provides recommendations for resolving those issues in ways which meet the needs of government, tenants, and landlords.

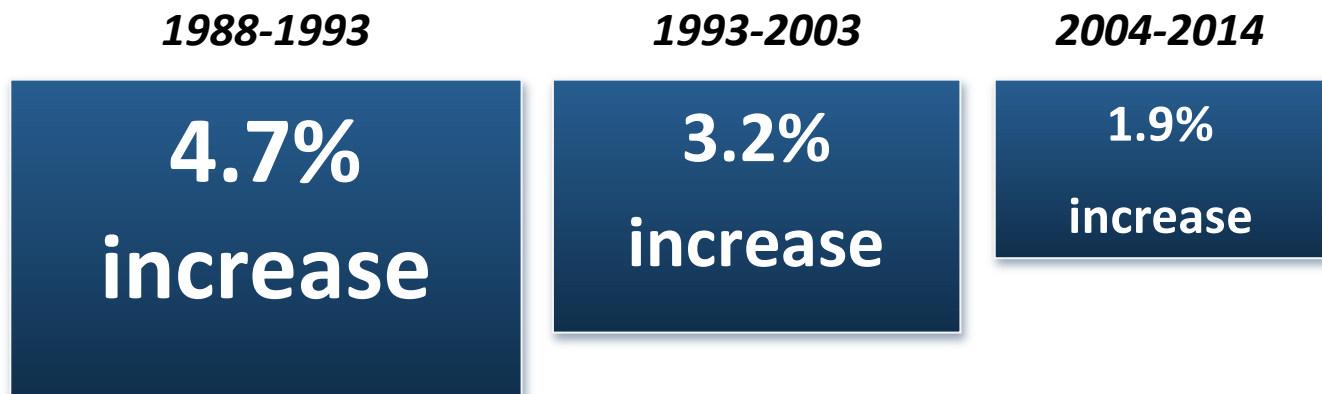
## The Risks of Rent Regulation to the Industry's Continued Success

Many factors may lead to increased rental housing demand in future years. Higher home prices, smaller household sizes, immigration, increased post-secondary enrolment and an ageing population will all contribute to greater demand for rental housing and lower vacancy rates, despite modest increases in new rental housing construction. The existing rental housing stock is ageing, with over half of all rental buildings in Ontario built prior to 1970. Major investments in repairs and maintenance will be needed to retain these buildings. The risk of further restrictions on rent increases would be devastating to rental housing providers and tenants.

*Over the past decade, rents have fallen in real terms when adjusted for inflation. Using 2002 Constant Dollars, average 2-bedroom rents in Ontario have fallen from \$883 in 2002 to \$843 in 2014.*

For landlords, the existing 2.5% rent control cap (and the 1.6% limit for 2015) simply means that rents will not allow recovery of the increased costs of management, utilities, taxes, maintenance and repairs. There is no good policy rationale for preventing owners from being able to recover inflationary costs. In order to keep rental buildings in a good state of repair, housing providers will require inflationary increases plus what is needed for capital investments.

## *Tenants in Ontario are benefiting from the lowest rent increases in a generation*



Source: Ontario Ministry of Municipal Affairs and Housing, 2014

Over the past decade, rents have fallen in real terms when adjusted for inflation. Using 2002 Constant Dollars, average 2-bedroom rents in Ontario have fallen from \$883 in 2002 to \$843 in 2014. Compared to the prices of other goods and services, rents are not increasing – they are falling. Meanwhile, the costs landlords must pay to manage and maintain rental housing continue to escalate. By further restricting rent controls in Ontario, further deterioration of rental properties would be inevitable. By permitting modest rent increases, the province can make the most out of its current rental stock, thereby providing for increased rental options in the future.

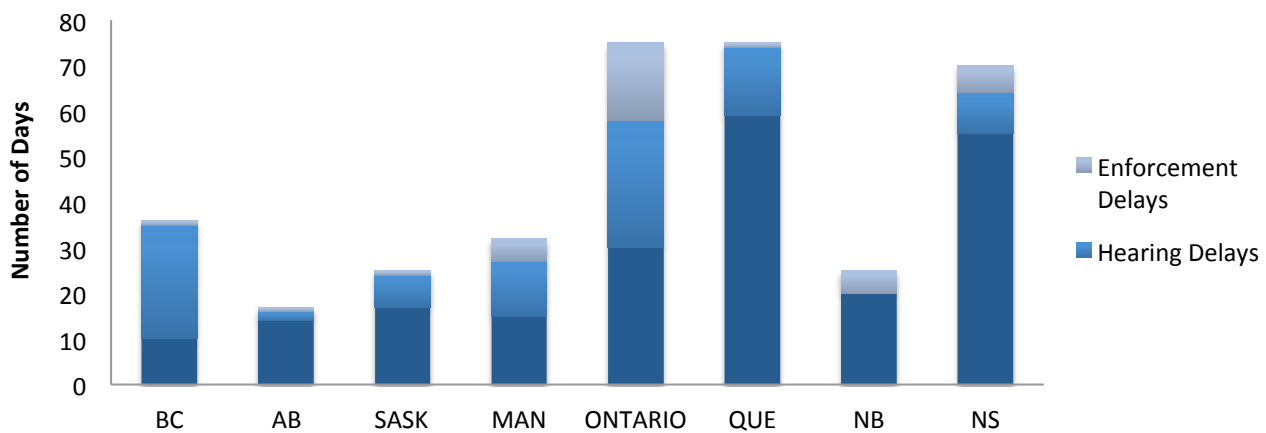
***Recommended Policy:*** Increase the Ontario Rent Guideline to allow landlords the ability to recover property management and repair costs, and expand opportunities for landlords and tenants to negotiate market rents. To start, Ontario should adopt the B.C. provincial rent control formula of CPI + 2% for its annual rent guideline.

### **Fixing Ontario's Broken Rent Dispute Process**

Ontario's eviction process is broken. The typical eviction process lasts 90 days in Ontario, and costs landlords about \$4,400, exclusive of administrative costs, lost time and productivity. If a landlord encounters a professional fraudulent tenant, internal Board reviews and appeals through the Superior Court add even longer delays: these tenants easily use Ontario's system to bilk landlords of up to one year's rent without suffering any consequences, while causing landlords severe financial and emotional distress.

Every tenant should have a fair opportunity to have their say or make a dispute. However, Ontario's imbalanced system has long since moved beyond fair. We now have a system in Ontario that actually caters to those who wish to unfairly abuse the system at a considerable cost to landlords and the other tenants. Delaying the process of justice is not beneficial to either party involved, and may in fact be harmful to tenants as they accumulate massive amounts of debt during the prolonged process. As evidenced in Graph 6, other provinces have addressed this issue and as a result have shorter delays than Ontario.

Graph 6: Delays in the Rent Dispute Process by Province



Source: FRPO Survey of landlords and rental housing association.

**Recommended Policy:** FRPO recommends that the Ontario government make the residential rent dispute system fairer and improve justice by adopting all of the recommendations in FRPO’s “Justice Denied” report (<http://www.frpo.org/Submissions>), including the following:

**Reduce Statutory Delays:**

- Amend Section 59. (1) (b) of the Residential Tenancies Act (RTA) to allow a landlord to give the tenant a notice of termination (i.e. issue an L1) effective on the 5th day after termination, rather than the 14th day.

**Reduce Hearing Delays:**

- Provide the Landlord Tenant Board with the one-time financial resources necessary to reduce the average hearing wait time from one month to one week, and that the necessary accountability and performance structure be put in place to ensure the project is successful. Amend the Residential Tenancies Act to return to the previous practice of requiring tenants to file applications.

**Reduce Enforcement Delays:**

- Immediately stop the practice of preventing landlords from filing with the sheriff for 11 days after an order is issued and amend provincial laws (the Courts of Justice Act and the Residential Tenancies Act) to explicitly allow private bailiffs to enforce Landlord Tenant Board orders and to require orders that had been previously stayed to be placed in priority sequence.

## Municipal Licensing

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Many Ontario municipalities perceive a need for a rental housing licensing scheme to manage aspects of the rental housing sector while generating revenues. Under the *Municipal Act, 2001*, (and the *City of Toronto Act, 2006*), municipalities in Ontario now have the power to create licensing schemes for rental housing.

Some municipalities in Ontario have chosen to implement municipal licensing schemes under the *Municipal Act*, which require rental providers to license units.

Proponents argue that such by-laws are necessary to enforce standards relating to a wide range of rental housing issues. In fact, such standards can already be maintained through existing municipal tools, without the need for expensive licensing processes:

- By law, the fees associated with licensing activity are limited to cost recovery. Apartment licensing is not a revenue source for municipalities.
- It creates unintended negative effects on the local economy, and especially on the rental housing marketplace, for owners of major apartment buildings, as well as for the individual property owners or investors.
- It has been demonstrated in various jurisdictions that there are better ways to address the impact of student housing and other 'supplementary units' on communities.
- Additionally, licensing does not necessarily offer added protection to tenants and prospective tenants. In fact, it tends to increase rents and reduce the options in the rental housing market.

A growing collection of evidence suggests that apartment licensing is in fact not the best solution, and instead it creates its own set of unintended problems. Detailed analyses done by cities like Toronto, Ottawa, Regina, Milwaukee, and others, each of which concluded that apartment licensing should not be enacted, is illustrative.

With the existing range of municipal and provincial regulations, authorities already possess an extensive set of tools for addressing the problems in the rental housing sector. A number of progressive municipalities are taking new and creative approaches to monitoring, inspection and enforcement by targeting known problem areas and issues in the rental housing field. The evidence demonstrates that the existing regulatory regime can work well and at a more reasonable cost, if implemented effectively and in collaboration with apartment owners, tenants, neighbours and post-secondary institutions, with support from local elected representatives.

*The City of London recently imposed rental licensing fee of \$230 – which will be passed on to tenants over time.*

**Recommended Policy:** *That the Ontario government restore regulatory protection (under the *Municipal Act*) of rental housing from costly municipal licensing programs. This can be achieved without amending any legislation, by re-instating Regulation 243/02 under the *Municipal Act*.*

## Promoting Fair Tax Policy

### Contributing to Government Coffers

The rental housing industry contributes significant tax revenue to government. On an annual basis, the rental housing industry in Ontario pays approximately \$3.7 billion of taxes on products and taxes on production. Of this, \$3.6 billion, or about 96%, was collected in Ontario and \$160 million collected outside of the province.

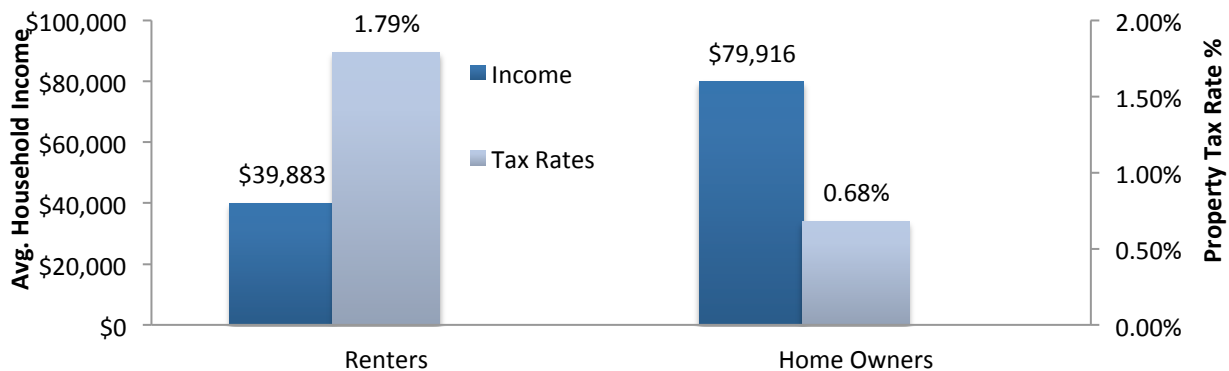
<b>Table 4: Taxes on Products and Taxes on Productions Generated by Ontario's Rental Housing Industry (\$ millions)</b>						
	Ontario	%	Other	%	Total	%
<b>Taxes on products – Provincial</b>						
Provincial sales tax	42	11%	17	0%	437	12%
Provincial gas tax	55	1%	12	0%	64	2%
Provincial trading profits	40	1%	13	0%	50	1%
Other provincial taxes on products	27	1%	12	0%	36	1%
Total Provincial	543	15%	53	1%	587	16%
<b>Taxes on products – Federal</b>						
Federal sales tax (GST and HST)	165	4%	17	0%	182	5%
Federal gas tax	39	1%	6	0%	45	1%
Federal duty tax	16	0%	3	0%	19	0%
Other federal taxes on products	25	1%	3	0%	28	1%
Total Federal	244	7%	29	1%	274	7%
<b>Taxes on Production (Property Taxes)</b>						
Total	2,799	75%	78	2%	2,877	77%
<b>Total</b>	<b>3,586</b>	<b>96%</b>	<b>160</b>	<b>4%</b>	<b>3,738</b>	<b>100%</b>

In terms of taxes on salaries generated by Ontario's Rental Housing Industry, it is estimated that the industry creates approximately \$2.2 billion in personal income taxes. Of this, \$640 million is paid to the Government of Ontario and \$1.5 billion is paid to the Government of Canada.

### Eliminate the regressive taxation of tenants

One of the most significant housing affordability measures the provincial government could implement would be a mandatory requirement for municipalities to remove the unfavourable property tax treatment of multi-residential properties. In Ontario, the average tenant faces a property tax rate of 1.78% of the current value assessment of their home. In contrast, the average homeowner in Ontario pays a property tax rate of 0.68%.

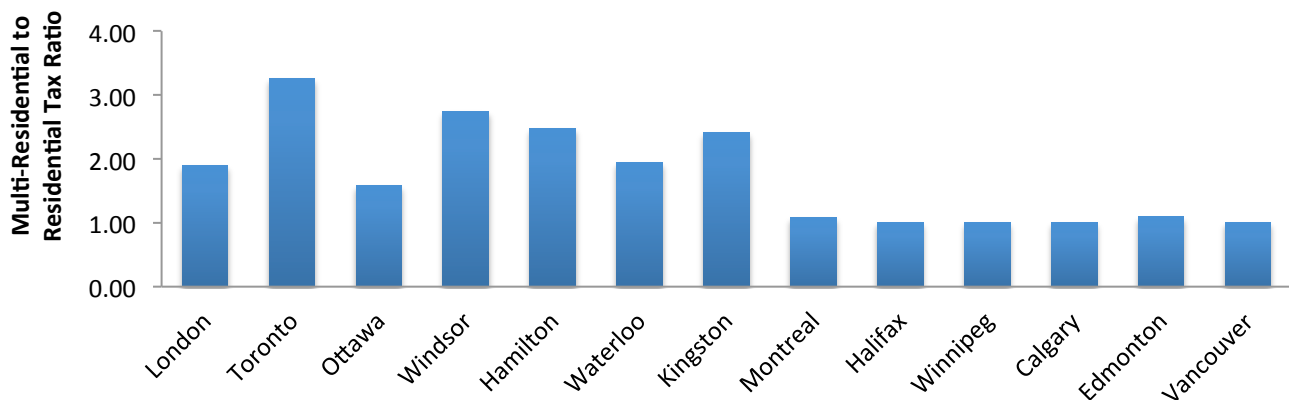
Graph 7: Renters in Ontario pay higher property taxes but have lower incomes



Source: Statistics Canada Income & FRPO based on Municipal Financial Information Returns

If tenants in Ontario were charged the same property tax rate as homeowners, it would result in a \$77 reduction in the monthly property tax paid by each tenant, or an average savings of \$924 annually. There is no policy justification for the regressive nature of municipal property tax rates on multi-residential properties that unfairly shift a higher tax burden onto renters compared to single-family home residents. Tenants bear the full costs of property taxes through their rent and would directly and quickly benefit from adoption of fair tax rates. Under the *Residential Tenancies Act*, property tax reductions must be passed on to tenants through rent reductions.

Graph 8: Ontario municipalities charge tenants unfair taxes, compared to cities in other Canadian provinces



Source: FRPO Survey of Municipalities

**Recommended Policy:** FRPO recommends that the multi-residential property class be combined with the residential class and that the municipal tax rate on multi-residential properties be reduced to the residential rate. In making this recommendation, it is noted that property tax savings would have to be passed along to tenants under the provisions of the *Residential Tenancies Act*.

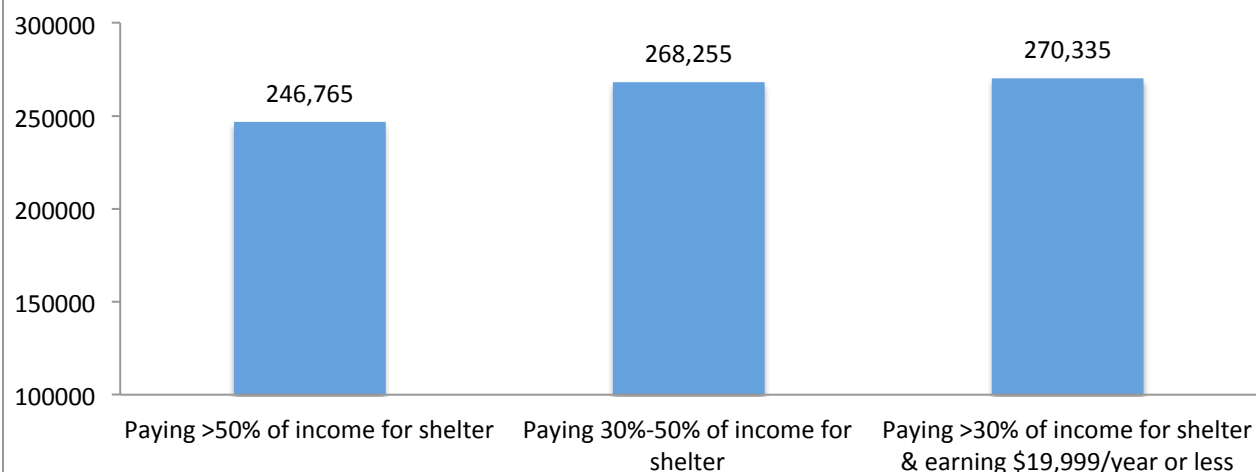
## Housing Affordability and Poverty Reduction: An Ontario Housing Benefit

There are over 100,000 low income households and seniors in Ontario paying over 50% of their incomes for shelter costs and receiving no social assistance. FRPO, along with a coalition of industry and community organizations, continues to support the Ontario government's decision to explore an Ontario Housing Benefit as a way to help low income Ontarians pay for rental housing costs. This was first announced in the Ontario Government's *Long Term Affordable Housing Strategy* in November 2010 and re-affirmed in the 2012 Ontario Budget.

An Ontario Housing Benefit can provide assistance to low-income tenants to help them meet their rent payment. Similar to the Ontario Child Benefit, an Ontario Housing Benefit can reduce financial barriers that exist for people when they try to move from social assistance to employment. The benefit can vary according to city size, family size, a tenant's income and rent paid. Housing benefits have been shown to be effective anti-poverty tools in other jurisdictions, including Quebec, Manitoba and British Columbia. It's time for Ontario to catch up.

One of the best features of an Ontario Housing Benefit is that it addresses the root cause of housing affordability problems, which is low household income relative to shelter costs. Evidence demonstrates that virtually every household in core housing need<sup>1</sup> falls into the two lowest income quintiles; with over 80 percent of households in core housing need in the lowest income quintile (see Graph 10).

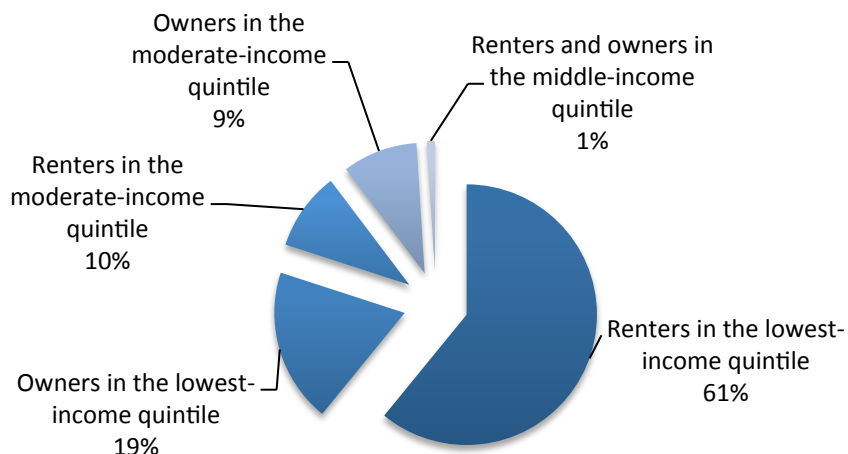
Graph 9: The need for a Housing Benefit: Estimate of renter households with high shelter cost burden relative to income (Ontario)



Source: Statistics Canada, 2011 National Household Survey, Catalogue nos. 99-014-X2011028 & 99-014-X2011031

<sup>1</sup> According to CMHC, a household is in core housing need if housing does not meet one or more of adequacy, suitability or affordability standards and would have to spend 30% or more of its before-tax income to pay the median rent

**Graph 10: Over 80% of urban households in core housing need are in the lowest income quintile**



**Source: CMHC (SLID-based housing indicators and data)**

Housing Benefits solve many of the problems associated with current social assistance programs. The Housing Benefit would be a new form of monthly income assistance, outside of the welfare payment system. It would remain in place once a welfare recipient leaves social assistance for work, but would phase out as income rises and self-reliance to afford housing grows. Unlike other provinces, the only permanent housing benefit provided in Ontario is paid exclusively to social assistance recipients. There is currently no housing-related income program to help the working poor in Ontario. This acts as a barrier to employment, making the transition from social assistance to the labour market very difficult.

Social housing (rent geared-to-income housing) is a very limited resource in Ontario. It represents only 5% of the total housing stock and 18% of the rental units. The waiting lists are long. Ontario Works and ODSP payments are not formally indexed to inflation, and the shelter components provide a maximum benefit that has no regard for the wide range in average rents found across Ontario's different municipalities, resulting in inadequate assistance provided to poor households in communities with higher housing costs such as Toronto and Ottawa.

### **Features of a new Ontario Housing Benefit**

FRPO supports a new housing benefit that helps not just OW/ODSP recipients, but also the working poor, residents of social housing who are paying market rents, and those at risk of homelessness. The key features of a new Housing Benefit include:

- Eligibility based on high shelter cost burdens of renters with incomes below an income threshold. Benefit levels vary based on the different median rents found in individual communities across Ontario.

- Costs to be controlled through establishing maximum rents for the purpose of calculating benefits and a maximum amount of benefit payable.
- Establishing a minimum rent or **contribution** from the tenant to ensure that the recipient pays part of the rent without subsidy.
- The housing benefit is paid to the tenant, preferably by direct deposit, not to the landlord, reducing the risk of the rent being inflated to capture the benefit.
- Introduces incentives for low-income tenants to shop for housing that is suitable for them, for instance, to seek out affordable housing that is closer to where they work.

*“A Housing Benefit for all low-income Ontarians could also assist in improving incomes and ease the challenge of ensuring fairness as between people on social assistance and low-income earners. Since it would also help people who are struggling with housing costs but not receiving social assistance, it could help reduce the number of people who need to seek social assistance.”*

**Frances Lankin and Munir A. Sheikh,  
Commission for the Review of Social  
Assistance in Ontario, 2012**

- Designed to sustain assistance to individuals and families leaving OW and encourages the transition to employment. With each person successful in leaving and remaining off of OW, the full, basic costs of welfare, plus shelter components, are no longer expended.

***Recommended Policy:*** *FRPO recommends that the Ontario government implement a new monthly Housing Benefit to help Ontario achieve its poverty reduction and housing affordability objectives by extending housing assistance to the working poor to reduce high shelter burdens, decrease the risk of homelessness, and minimize dependence on Ontario Works.*

A detailed proposal for a program has been submitted to the Ontario government, titled “A Housing Benefit for Ontario: One Housing Solution for a Poverty Reduction Strategy”. This proposal was developed and supported by a broad coalition including: the Federation of Rental Housing Providers of Ontario (FRPO); the Ontario Non-Profit Housing Association; the Greater Toronto Apartments Association; the Daily Bread Food Bank; Metcalf Charitable Foundation and the Atkinson Charitable Foundation.

## Recommendations

Rental housing for many households is their first choice for where to live. To help the apartment industry live up to that choice, FRPO recommends the following policies:

1. **Housing Affordability:** Implement a new monthly Housing Benefit to help Ontario achieve its poverty reduction and housing affordability objectives by extending housing assistance to those with high shelter burdens, reduce the risk of homelessness, and minimize dependence on Ontario Works.
  2. **Eliminate Red Tape:** FRPO recommends that the Ontario government introduce regulation (a restoration of Municipal Act Regulation 243/02) from the Ministry of Municipal Affairs and Housing to curtail the creation of rental apartment licensing schemes. Further information of municipal rental apartment licensing schemes is available in FRPO's "A Review of the Effectiveness and Implications of Municipal Licensing of Residential Apartments" [report](#).
  3. **Eliminate Abuses of the Justice System:** Make the residential rent dispute system fairer and improve justice by adopting the recommendations in FRPO's "Justice Denied" [report](#), including the measures to reduce statutory notice delays from 14 days to 5 days, provide the Landlord Tenant Board with resources needed to reduce hearing wait times from one month to one week, require tenants to file applications, eliminate the 11 day wait time for ordering enforcement by the Sheriff, and allow private bailiffs to enforce orders.
  4. **Property Tax Fairness for Tenants:** Combine the multi-residential property class with the residential class so that the municipal tax rate on multi-residential properties is reduced to the residential rate. In making this recommendation, it is noted that property tax savings would have to be passed along to tenants under the provisions of the *Residential Tenancies Act*.
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